



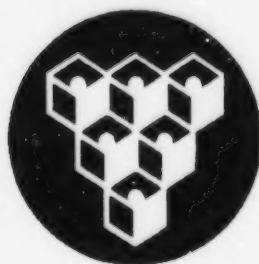
Organization & Staff Development

Consulting & Training That Make a Difference

Manitoba
Civil Service
Commission



2000 Annual Report



Organization & Staff Development
Manitoba Civil Service Commission

consulting & training that make a difference



**MINISTER RESPONSIBLE
FOR THE CIVIL SERVICE ACT**

Legislative Building
Winnipeg, Manitoba, CANADA
R3C 0V8

The Honourable Peter M. Liba
Lieutenant Governor of Manitoba
Room 235, Legislative Building
Winnipeg MB R3C 0V8

May It Please Your Honour:

I have the honour of presenting the Sixth Annual Report of the
Organization & Staff Development Agency for the fiscal year ended
March 31, 2000.

Respectfully submitted,

A handwritten signature in cursive script that reads "Becky Barrett".

Becky Barrett



Our Past. Our Future. Our Celebration.
Notre passé. Notre avenir. Notre fête.



Office of the Commissioner
Civil Service Commission

935 - 155 Carlton Street
Winnipeg MB Canada R3C 3H8
Fax: (204) 945-1486

June 26, 2000

Honourable Becky Barrett
Minister Responsible for the Organization
& Staff Development Agency
Civil Service Commission
156 Legislative Building
Winnipeg MB R3C 0V8

Dear Minister:

I am pleased to submit, for your consideration, the 2000 Annual Report of Organization & Staff Development (OSD) as a Special Operating Agency.

OSD has fulfilled its obligations as a self-sustaining operation and has achieved the objectives in its approved business plan.

OSD continues to support the implementation of corporate human resource initiatives through relevant and well received training and consulting services. The agency excels in helping public service employees and management meet their development needs and serve better the citizens of Manitoba.

The Advisory Board is pleased with the progress of OSD and the exceptional effort of the Agency staff.

Respectfully submitted,

Paul Hart
Civil Service Commissioner
Chair of the Organization
& Staff Development Agency
Advisory Board



*Our Past. Our Future. Our Celebration.
Notre passé. Notre avenir. Notre fête.*

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Agency Board Members

Paul Hart Commissioner Manitoba Civil Service Commission	Chair
Thomas J. Farrell Deputy Minister Manitoba Labour	Member
Bruce MacFarlane, Q.C. Deputy Minister and Deputy Attorney-General Manitoba Justice	Member
Gisela Rempel Assistant Deputy Minister Employment and Income Assistance Division Family Services	Member
Jim Robson Vice President Application Delivery Great-West Life Assurance	Member
Jackie Desrochers Manager of Training Services Organization & Staff Development	Member
Herb Robertson Director Organization & Staff Development	Member (ex-officio)

Agency Management

Herb Robertson	Director
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Profile

In 1970, the Manitoba Civil Service Commission created a branch to support its responsibilities, as outlined in legislation and policy, for enhancing the capability of government employees and departments. More specifically, the branch was to resource and to provide training workshops and organization development services that emphasized what the government wanted to achieve in the area of human resource management.

On April 1, 1994, Organization & Staff Development (OSD) became the third Special Operating Agency of the Manitoba Government. The Special Operating Agency framework is an alternative to the established departmental model of governance and applies a hybrid of government and business practices to the means of operating a public sector service. It emphasizes accountability and end results. This emphasis is consistent with the OSD tradition of putting the service user first and always striving to make a difference.

Purpose

OSD provides consulting and training services to support the implementation of government-wide human resource policies and priorities.

The agency assists managers and employees to solve organization problems, to improve service to the public, to use better the talent of people and to meet the demands of the ever-evolving situation in which public servants find themselves.

OSD services are available to central government, to individual departments, to other organizations in the broader public sector, and under specific conditions to private organizations.

OSD is not mandatory. No one is obligated to use its services. The agency is committed to being the training and consulting vendor of choice.

Commitment

Organization & Staff Development (OSD) believes that its consulting and training services make a positive contribution to improving individual and organization effectiveness in the Manitoba Government and in the broader public sector.

OSD is committed to representing three principles in whatever the agency does.

1. The needs of those who use our service are our concern.

This means we act with the courage necessary to understand our service users and to provide them with real help for real problems.

2. We treat others as friends, no differently than we treat ourselves.

This means we strive to make every contact an experience that benefits our service users, makes them better off for knowing us and leaves them a little wiser.

3. Our work is important work.

This means we serve to the best of our ability. We respect the privilege of helping the citizens of Manitoba and those who represent them.

Director's Comment

OSD set out six years ago to succeed as a Special Operating Agency. Success would happen if we realized three wants. We wanted to remain relevant to the Government and to the Commission in our role of meeting corporate human resource development needs. We wanted to satisfy our service users. We wanted to meet our financial commitments.

OSD has succeeded. Any investment in training and consulting that supports government human resource priorities has been rewarded by timely, tailored and effective services. OSD has exceeded targets for retaining and satisfying our service users. OSD has exceeded its six-year target for net retained earnings.

In 1999/00, the agency achieved its goal, its six objectives and eight of the 10 targets for performance measures.

While OSD is financially ahead of its six-year target, we did not achieve our net retained earning target for 1999/00. This is only the second such occurrence since 1994.

Primary sources of agency revenue are departmental, corporate and public sector service users. 1999/00 income from corporate and public sector service users was comparable to 1998/99 income. Income from departmental service users was \$158.9 less than the previous year.

Historically the last two quarters in any fiscal year are the busiest quarters for OSD. Revenue from departmental service users – OSD's major client group - was appreciably less in these quarters than it was a year earlier. The most plausible explanation for the significant fall in income is the December 1999 directive requesting departments to limit discretionary expenditures. Almost the entire decline in consulting and in-house training projects, and in the revenue associated with those projects, can be attributed to fewer departmental requests for service from December through March.

Because OSD is not a mandatory service and because many departments consider training and consulting to be discretionary activities, we are challenged to be operationally flexible and financially forward thinking. Last year we instituted changes to our staff complement when the demand for service was first detected. These changes mitigated our bottom line position. Over the previous five years we had build a responsible level of net retained earnings to weather a loss. That prudent measure paid off last fiscal year.

Progress towards Goals and Objectives

The goal for 1999/2000 was to rationalize and to organize better the agency's staffing practices and operating procedures in light of continuing high demand and the stress that that demand was putting on staff.

Objectives for 1999/2000 were:

1. To review by June 1999 and, if necessary, adjust staffing levels and space requirements by September 1999 to meet trends in service demand.

Complete. OSD resumed direct control of its nine staff positions and all were filled. One is filled on a term basis. Another filled through secondment was later vacated.

2. To determine the feasibility of converting to a more efficient registration system by June 1999 and if feasible implement a new system by September 1999.

Complete. The registration system was reviewed and it was discovered that OSD had not realized the full potential of its Registrar program. Action was taken to realize that potential and therefore OSD did not convert to a new system.

3. To establish by May 1999 a computerized inventory that enables the agency to track vendor qualifications on an automated basis and to match them more efficiently with service needs.

Complete. An inventory system was designed and data on existing vendors entered. Data on potential vendors continues to be added as well as new information on existing vendors.

4. To decrease the impact of vendor turnover and the over reliance on particular vendors by increasing the vendor pool 10 % by September 1999 and by identifying what training programs the agency should own outright by June 1999.

Complete. The OSD vendor pool of approximately 50 Manitoba vendors is an optimum number to meet the agency's current delivery requirements. The agency has identified the programs it should own outright.

5. To upgrade and standardize more the structure and appearance of OSD training materials by October 1999.

Complete. What needed to be standardized was identified and the subsequently produced materials comply with the standardization.

6. To determine where marketing materials other than the Guide and the website are desirable by July 1999 and to develop those materials by March 2000.

Complete. The agency has identified its desired marketing materials.

Performance Framework

The performance framework includes historical detail on the number of general training workshops and on the number of organization-specific projects OSD has facilitated. It includes, too, a description of and the progress on criteria the agency has for attaining its goals and its numbers.

Part 1 - Training and Projects

As projected, there continued to be a shift in the mix of general training workshops and in-house training and consulting projects. The shift was less dramatic in 1999/00 as the number of projects fell. Organizations, nonetheless, continue to place emphasis on custom, in-house training and consulting over sending staff to general training workshops.

Table 1 - Guide Training (scheduled general classroom training)

	Workshops	Participants	Average	Rural Workshops	Vendors Used	%
1999/00	93	1197	12.9	4	84	90%
1998/99	80	1086	13.6	3	52	94%
1997/98	102	1377	13.5	15	72	71%
1996/97	104	1261	12	7	73	70%
1995/96	238	3434	14	40	127	53%
1994/95	207	4613	22	60	102	49%

Table 2 - Projects

Projects are consulting, training or administrative services provided to a specific service user and their organization. In a few instances, it could also include offerings of general classroom training in addition to those scheduled in the Guide.

	Number	Participants	Vendors Used	%
1999/00	374	5736	272	73%
1998/99	534	7976	416	78%
1997/98	428	6527	304	71%
1996/97	395	5528	300	76%
1995/96	163	3045	89	55%
1994/95	95	2222	45	47%

Part 2 - Criteria

The OSD performance framework for 1999/00 was an adaptation of the 12 organization effectiveness attributes recommended by the Canadian Comprehensive Audit Foundation (CCAF), modified to reflect the operational nature and goals of the agency and to reflect the recommendations of the OSD 1997 Effectiveness Evaluation.

Type of Measurement	Input Demand for Service	Activity Number of Activities Undertaken	Output Service Users Satisfied	Outcome Commitments Met/ Service User Acceptance
Measure	new consulting service users	# of corporate workshops & projects	workshop feedback	workshop refunds
Target	30% of previous year	74	more than a 3.5 rating*	less than 1%
Measure	repeat consulting service users	# of departmental/ public sector workshops & projects	workshop cancellations	consulting project refunds
Target	30% of previous year	212	less than 20%	less than 1%
Measure			objectives completed	net retained earnings
Target			6 completed	\$49.7

The OSD performance measures are used as indicators of how well the agency operates.

The agency gained more than 30% new consulting service users and retained more than 30% repeat consulting service users. We exceeded 74 corporate workshops & projects. We exceeded the 3.5 rating on workshop feedback, completed our 6 objectives and had to pay less than 1% in refunds for either training workshops or consulting projects. The agency met the target of 212 departmental/public sector workshops.

OSD did not meet the workshop cancellation rate target nor the net retained earnings target. The directive limiting discretionary expenditure hindered the achievement of both targets.

Financial Analysis

Explanations for areas of significant variance between actual and budget are:

1. Departmental revenue – directive limiting discretionary expenditure.
2. Professional fees – decrease in the number of projects OSD expected to deliver.
3. Salaries & benefits – filling full staff complement of nine positions.
4. Books and course materials – decrease in the number of projects OSD expected to deliver.
5. Rentals and Accommodations – change in accounting practice re what is charged to rentals and what is charged to accommodations.

**ORGANIZATION & STAFF DEVELOPMENT - An Agency of the
Special Operating Agencies Financing Authority**

Financial Statements

For the year ended March 31, 2000

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Management's Responsibility for Financial Reporting

The accompanying financial statements are the responsibility of the management of Organization & Staff Development (OSD) and have been prepared in accordance with generally accepted accounting principles. In management's opinion, the financial statements have been properly prepared within reasonable limits of materiality, incorporating management's best judgement regarding all necessary estimates and all other data available to May 17, 2000.

Management maintains internal controls to properly safeguard the assets and to provide reasonable assurance that the books and records from which the financial statements are derived accurately reflect all transactions, and that established policies and procedures are followed.

The responsibility of the Provincial Auditor is to express an independent opinion on whether the financial statements of OSD are fairly represented in accordance with generally accepted accounting principles. The Auditor's Report outlines the scope of the audit examination and provides the audit opinion.

On behalf of management,



Herb Robertson, Director

Organization & Staff Development

May 17, 2000

Office of the Provincial Auditor

500 - 330 Portage Avenue
Winnipeg, Manitoba
CANADA R3C 0C4

AUDITORS' REPORT

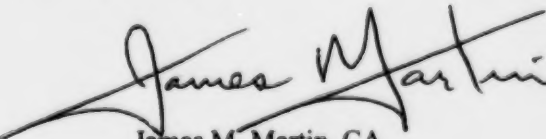
To the Legislative Assembly of Manitoba

We have audited the balance sheet of Organization and Staff Development, an Agency of the Special Operating Agencies Financing Authority, as at March 31, 2000 and the statements of operations and retained earnings and cash flows for the year then ended. These financial statements are the responsibility of the Agency management. Our responsibility is to express an opinion on these financial statements based on our audit.

We conducted our audit in accordance with generally accepted auditing standards. Those standards require that we plan and perform an audit to obtain reasonable assurance whether the financial statements are free of material misstatement. An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements. An audit also includes assessing the accounting principles used and significant estimates made by management, as well as evaluating the overall financial statement presentation.

In our opinion, these financial statements present fairly, in all material respects, the financial position of the Agency as at March 31, 2000 and results of its operations and changes in its cash flows for the year then ended in accordance with generally accepted accounting principles.

Winnipeg, Manitoba
May 17, 2000


James M. Martin, CA
for the Provincial Auditor

ORGANIZATION & STAFF DEVELOPMENT - An Agency of the Special Operating Agencies Financing Authority Balance Sheet

March 31 2000 1999

(000's)

Assets

Current Assets

Cash and bank (Note 3)	\$ 84	\$ 396
Short-term investments	188	-
Accounts receivable	90	123
Inventories	6	7
Prepays	-	106
	368	632
Pension investments (Note 4)	97	-
Severance receivable (Note 5)	33	33
Capital assets (Note 6)	12	4
	\$ 510	\$ 669

Liabilities and Shareholders' Equity

Current Liabilities

Accounts payable and accrued liabilities	\$ 182	\$ 185
Deferred revenue	-	125
	182	310
Pension liability (Note 4)	107	81
Severance liability (Note 5)	36	36
	325	427
Shareholders' Equity		
Retained earnings	185	242
	\$ 510	\$ 669

**ORGANIZATION & STAFF DEVELOPMENT - An Agency of the
Special Operating Agencies Financing Authority
Statement of Operations and Retained Earnings**

For the year ended March 31 2000 1999

(000's)

	Actual	Actual	Variance	Budget	Variance
Revenue					
Training and consulting	\$ 1,069	\$ 1,240	\$ (171)	\$ 1,083	\$ (14)
Interest	6	-	6	9	(3)
	<u>1,075</u>	<u>1,240</u>	<u>(165)</u>	<u>1,092</u>	<u>(17)</u>
Expenses					
Professional fees	444	536	(92)	439	5
Salaries & benefits	371	274	97	311	60
Departmental support services	59	67	(8)	60	(1)
Accommodations	51	16	35	12	39
Books and course materials	35	59	(24)	30	5
Desk top management	25	12	13	14	11
Food and beverages	25	33	(8)	40	(15)
Rentals	25	54	(29)	36	(11)
Transportation	26	30	(4)	21	5
Occupancy costs	17	18	(1)	18	(1)
Communications	17	14	3	15	2
Office supplies	12	5	7	11	1
Marketing	12	11	1	13	(1)
Other	8	18	(10)	18	(10)
Professional development	4	-	4	-	4
Amortization	1	2	(1)	4	(3)
Loss on disposal of assets	-	11	(11)	-	-
	<u>1,132</u>	<u>1,160</u>	<u>(28)</u>	<u>1,042</u>	<u>90</u>
Net income (loss) for the year	(57)	80	(137)	50	(107)
Retained earnings, beginning of year	242	162			
Retained earnings, end of year	\$ 185	\$ 242			

**ORGANIZATION & STAFF DEVELOPMENT - An Agency of the
Special Operating Agencies Financing Authority
Statement of Cash Flows**

For the year ended March 31

2000

1999

(000's)

Cash Flows from Operating Activities

Net income (loss) for the year	\$	(57)	\$	80
Changes in:				
Amortization of capital assets		1		2
Loss on disposal of capital assets		-		11
Pension and severance		25		17

		(31)		110
		15		78

Net change in non-cash working capital balances

(16) 188

Cash Flows from Investing Activities

Purchase of capital assets	(11)	(1)
Transfer to pension fund	(97)	-

(108) (1)

Increase (decrease) in cash and cash equivalents during the year (124) 187

Cash and cash equivalents, beginning of year 396 209

Cash and cash equivalents, end of year \$ 272 \$ 396

Represented by

Cash and bank	\$	84	\$	396
Short term investments		188		-

\$ 272 \$ 396

ORGANIZATION & STAFF DEVELOPMENT - An Agency of the Special Operating Agencies Financing Authority Notes to Financial Statements

March 31, 2000

1. Nature of Organization

Effective April 1, 1994, Organization and Staff Development (OSD) of the Civil Service Commission was designated by regulation as a Special Operating Agency under The Special Operating Agencies Financing Authority Act and operates under a charter approved by the Lieutenant Governor in Council. Its mandate is to provide consulting and training services to support the implementation of the government's human resource policies and priorities.

The Agency is financed through the Special Operating Agencies Financing Authority. The Financing Authority has the mandate to hold and acquire assets required for and resulting from Agency operations. It finances the Agency through repayable loans and working capital advances. This financial framework enables the Agency to operate in a business-like manner according to public policy expectations.

A Management Agreement between the Financing Authority and the Minister responsible for the Civil Service Commission assigns responsibility to the Agency to manage and account for the Agency related assets and operations on behalf of the Financing Authority.

OSD continues to be part of the Civil Service Commission under the general direction of the Commissioner and ultimately the policy direction of the Minister responsible for The Civil Service Act.

OSD remains bound by relevant legislation and regulations. It is also bound by administrative policy except where specific exemptions have been provided for in its charter in order to meet business objectives.

OSD is economically dependant on the Province of Manitoba. Currently, the Agency derives most of its revenue from the Province and all of its capital financing requirements through the Financing Authority.

2. Significant Accounting Policies

Basis of Reporting The financial statements of the Agency are presented in accordance with generally accepted accounting principles.

Financial Instruments The Agency's financial instruments consist of cash, accounts receivable, temporary and long-term investments and accounts payable. Unless otherwise noted, it is management's opinion that the Agency is not exposed to significant interest, currency or credit risks arising from these financial instruments. The fair values of these financial instruments approximate their carrying values, unless otherwise noted.

Inventories Inventories are valued at the lower of cost and net realizable value.

Capital Assets Rates of amortization applied to write off the cost of capital assets over their estimated life are as follows:

Furniture and office equipment	20% straight line
Computer equipment	20% straight line

One half year's amortization is applied to computer equipment in the year of acquisition.

ORGANIZATION & STAFF DEVELOPMENT - An Agency of the Special Operating Agencies Financing Authority Notes to Financial Statements

March 31, 2000

3. Working Capital

The Agency has an authorized line of working capital advances of \$120 which was unused and available at March 31, 2000.

4. Pension Liability

Employees of the Agency are eligible for pension benefits in accordance with the provisions of The Civil Service Superannuation Act. In accordance with an agreement with the Province of Manitoba, Special Operating Agencies (SOA's) are only responsible for the pension liability incurred for their employees from the date of designation as an SOA. The Agency has recorded this obligation effective for the year ended March 31, 1998. The methodology for calculating the liability has been determined in conjunction with the Province, which accepts responsibility for pension liability for prior service. The accumulated pension liability from April 1, 1994 to March 31, 2000 is \$107 (1999 - \$81). The Agency has set aside \$97 to meet this obligation. The funds are on deposit with the Province of Manitoba and invested in short-term notes.

5. Severance Liability

Effective April 1, 1998, the Agency is recording accumulated severance pay benefits for its employees. The severance liability is determined by multiplying years of service, to a maximum of fifteen years, by the weekly salary at date of retirement, provided the employee reaches nine years of service and retires from the Agency. The estimate is based upon the method of calculation set by the Province of Manitoba.

The Province has accepted responsibility for the severance benefits accumulated by the Agency's employees to March 1, 1998. Accordingly, the severance pay liability balance as at April 1, 1998 of \$33 is completely offset by a receivable from the Province. There are no terms of repayment for this receivable, and the amount will remain fixed at \$33. The liability is updated annually.

6. Capital Assets

	2000			1999		
	Cost	Accumulated Amortization	Net Book Value	Cost	Accumulated Amortization	Net Book Value
Furniture & fixtures	\$ 10	\$ 5	\$ 5	\$ 4	\$ 2	\$ 2
Computers	8	1	7	4	2	2
	\$ 18	\$ 6	\$ 12	\$ 8	\$ 4	\$ 4

ORGANIZATION & STAFF DEVELOPMENT - An Agency of the Special Operating Agencies Financing Authority Notes to Financial Statements

March 31, 2000

7. Public Sector Compensation

Pursuant to the disclosure required by The Public Sector Compensation Disclosure Act, no remuneration was paid to Advisory Board members. During the fiscal year ended March 31, 2000, the following employees received compensation of \$50,000 or more.

Name	2000	1999
J. Desrochers	53	-
E. Dickson	53	52
H. Robertson	69	76

8. Related Party Transactions

The Agency is related in terms of common ownership to all Province of Manitoba created Departments, Agencies and Crown Corporations. The Agency enters into transactions with these entities in the normal course of business.

9. Comparative Figures

Comparative figures for the year ended March 31, 1999 have been restated to conform with the presentation adopted for the current year.